

EXECUTIVE SUMMARY

The following is an overview that provides a brief description of the Defense Health Program and TRICARE. The intent is to provide bidders general information about the program. This document will either be a cover document to the solicitation or an attachment. (NOTE: The term “Managed Care Support Contractor” is used to refer to the current and future contracts and subject to change.)

OVERVIEW

The Defense Health Program (DHP) consists of both direct care provided by DoD personnel and purchased care provided by Managed Care Support Contractors. The purpose of this overview is to describe the purchased care portion of the DHP. A wealth of additional information is available on the TRICARE Management Activity World Wide Web sites at www.tricare.osd.mil and www.tricare.osd.mil/tools/. In order to fulfill the purchased care needs of the DHP, the contractors must provide all services necessary to fully support DoD's primary wartime readiness mission while supplementing the services provided through DoD owned and/or operated health care facilities. The Managed Care Support Contractors will offer a specified uniform health care benefit. The contractors must be able to provide the expertise of managed care organizations and health benefit administrators in incorporating and operating the best practices of the private sector in support of DoD healthcare delivery. The contractors shall provide the DoD with clinical and administrative services that are comparable to the best offered in the civilian community. The contractors must fulfill the objectives of the contract while complying with the scope and structure of TRICARE; i.e., benefits and beneficiary liabilities, including technical requirements. The contractors will deliver all services in a manner that achieves a fully integrated health care delivery and financing system for all Military Health System (MHS) beneficiaries.

INTRODUCTION TO THE DEFENSE HEALTH PROGRAM (DHP)

The medical mission of the Department of Defense is to maintain readiness through health and medical services provided to the armed forces during military operations, and to provide health and medical services/support to the members of the armed forces, their family members and others entitled to DoD health care. The MHS must be prepared not only to provide a high quality, cost-effective health care benefit to its eligible members during peacetime, but also must be prepared to support the armed forces during exercises, contingencies, operations other than war, and in wartime.

In support of its readiness mission, the MHS maintains a system of military hospitals and clinics, located in DoD “catchment areas,” that provide direct care to active duty personnel and to others who are eligible for military health benefits if space is available. Although the number and size of direct care facilities has declined in recent years, it remains critical that the use of Military Treatment Facilities (MTF) be optimized in order to maintain the clinical skills of military clinical staff necessary to support medical readiness. The direct care system currently cannot fully meet its demand for health care services. Therefore, TRICARE uses the MHS as the main delivery system, and through the awarding of contracts, augments the direct care system through a civilian network of providers and facilities serving its eligible members.

This contract applies to active and retired members of the Uniformed Services: the U.S.

Army, the U.S. Navy, the U.S. Air Force, the U.S. Marine Corps, the U. S. Coast Guard, the Commissioned Corps of the Public Health Service and the Commissioned Corps of the National Oceanic and Atmospheric Administration, their spouses and children and their surviving family members subject to the provisions of Chapter 55 of Title 10, U.S.C. Also eligible are Medal of Honor recipients (Chapter 55 of Title 10, U.S.C., Section 1074h.) However, the contracts for care in CONUS does not apply to processing of claims for TRICARE eligibles who are also eligible for Medicare that meet the requirements of Chapter 55 of Title 10, U.S.C., specifically Section 1086 (Note) and 1086(d); the South Contract will accept and process claims from all Medicare eligibles who are residing overseas. Determination of a person's eligibility status is the responsibility of the Uniformed Services.

The Department desires a health care benefit that is uniform in quality, structure and patient cost-sharing. However, the Department is also interested in taking advantage of the expertise of the civilian sector and incorporating the best practices of the private sector. Our beneficiaries are entitled to receive a health plan that is comparable to the best offered among those in the civilian community. The Department has determined that the best approach to purchasing services to support the direct care system is to issue performance-based contracts relying on, to the maximum extent possible, the competency of the private sector health care industry.

SPECIFIC INFORMATION

TRICARE provides three health care options for beneficiaries—Prime, Extra, and Standard. TRICARE Prime is similar to an HMO with a Point of Service option and requires beneficiary enrollment. All Active Duty personnel are TRICARE Prime enrollees, although they are required to receive all of their care either in the MTF or under special rules that apply to Active Duty healthcare. Active Duty family members may elect to enroll and are not required to pay an annual enrollment fee or co-pays for care delivered in the network or the direct care system; however, other eligible beneficiaries pay an annual enrollment fee to enroll in TRICARE Prime. TRICARE Extra, which requires no enrollment, is an option in which the beneficiary may choose to use a provider in the contractor-developed network, with reduced cost-sharing for a particular episode of care, but is not restricted to use the network. TRICARE Standard is a fee-for-service option in which the beneficiary is free to use any authorized provider. The three options of TRICARE are described fully in 32 CFR Part 199.17 and 199.18.

TRICARE Prime enrollees receive all primary care from a Primary Care Manager (PCM), who may be located at the MTF or may be a civilian provider in the contractor's provider network. For those Prime enrollees assigned to network PCMs, the contractor may assign a specialty provider as their PCM, if that would be more appropriate to the patient's clinical circumstances. Although the MTF Commander is “at-risk” for the cost of its MTF enrollees, the Managed Care Support Contractor is responsible for providing MTF enrollees with other services such as network referrals, population health, medical management, and beneficiary education. Therefore, Managed Care Support Contractor interface with MTF enrollees will largely occur in catchment areas, with workload driven by the MTF’s capability and capacity. The Managed Care Support Contractor is at-risk for the cost of all care and services provided to Prime enrollees (other than Active Duty members) having civilian PCMs, and for all TRICARE Extra and TRICARE Standard care. The MHS is organized into TRICARE Regions within the

United States and around the world. At a minimum, the contractor will be required to establish a TRICARE Prime network in each area surrounding a MTF and in the area of Base Realignment and Closure (BRAC) sites, as specified in the RFP. All activities required by the RFP will be performed by the contractor except where excluded by contract; e.g., several activities required in the continental United States are not required overseas. (NOTE: Alaska will receive the full services of the triple option benefit and will be funded under the underwriting methodology.)

During the performance of customer service, the contractor will be responding to telephone calls, written and email correspondence, and requests for direct assistance by providers. As part of the customer services activities, the contractor will receive telephone call that are directly and automatically referred to the contractor by the Government's TRICARE Call Center. These calls, once received by the contractor, will be treated in the same manner as any other beneficiary or provider calls and will be subject to the standards.

Each Region has a Regional Director who is responsible for coordinating the delivery and management of health care services in the Region. The Managed Care Support Contractor will be accountable to the Regional Director for services provided within the Regional Director's purview. A significant contractor responsibility will be to actively assist the Regional Director and the MTF Commanders in their responsibilities to optimize the delivery of health care services in the direct care system of medical centers, hospitals and freestanding clinics.

In addition to collaborating with the Regional Director and MTF Commanders in administering TRICARE Prime, the contractor will be fully accountable for administration of the TRICARE Extra program and the TRICARE Standard program.

The contractor will be responsible for:

- Providing comprehensive health care services to TRICARE Prime enrollees whose PCM is a TRICARE network provider and to users of TRICARE Extra and Standard.
- Providing network health care services within access standards to TRICARE Prime enrollees whose PCM is located within a MTF and who has been referred.
- Providing regional enrollment activities that promote enrollment in Prime.
- Payment of claims for non-MTF services rendered to all persons eligible for TRICARE and for related administrative activities.
- Providing referral services, education and assistance to Active Duty personnel, although the contractor is not at-risk for the cost of civilian care provided to Active Duty personnel.
- Providing referral health care services, education and assistance to all MHS Medicare eligible beneficiaries although the contractor is not at-risk for the cost of civilian care provided to these beneficiaries.
- Performing customer service activities for all beneficiaries in the Region, including those not eligible for TRICARE reimbursable benefits in the civilian network, but

who have a need to know about their military health benefits and how to access services to which they are entitled.

- Providing accurate, edited claims, customer service and payment data.
- Providing other defined services as an adjunct to claims processing.
- Providing all personnel, facilities, equipment, supplies, supervision and management necessary to carry out the objectives and requirements of this contract.